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#### STATE OF SOUTH CAROLINA

APPLICATION OF IMAGE ACCESS, INC. d/b/a NEWPHONE FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

**COVER SHEET** 

DOCKET 2009 \_ 360 \_ C

(Please type or print) Submitted by: Jim R. Dry-Pres	ident	SC Bar Number:	
Address: Image Access, Inc. d/b/a NewPhone  5555 Hilton Avenue  Baton Rouge, LA 70808  NOTE: The cover sheet and information contained herein neither replaces as required by law. This form is required for use by the Public Service Cobe filled out completely.  DOCKETING INFORMA		Fax: 225-21 Other: Email: nor supplements the filing and serommission of South Carolina for the	vice of pleadings or other papers e purpose of docketing and must
Other:			
INDUSTRY (Check one)	NATUR	E OF ACTION (Check all the	at apply)
[ Electric	Affidavit	Letter	Request
Electric/Gas	Agreement	Memorandum	Request for Certification
Electric/Telecommunications	Answer	Motion	Request for Investigation
Electric/Water	Appellate Review	Objection	Resale Agreement
Electric/Water/Telecom.	Application	Petition	Resale Amendment
Electric/Water/Sewer	Brief	Petition for Reconsideration	Reservation Letter
Gas	Certificate	Petition for Rulemaking	Response
Railroad	Comments	Petition for Rule to Show Cause	Response to Discovery
Sewer	Complaint	Petition to Intervene	Return to Petition
Telecommunications	Consent Order	Petition to Intervene Out of Time	Stipulation
Transportation	Discovery	Prefiled Testimony	Subpoena
Water	Exhibit	Promotion	Tariff
Water/Sewer	Expedited Consideration	Proposed Order	Other:
Administrative Matter	Interconnection Agreement	Protest	
Other:	Interconnection Amendment	Publisher's Affidavit	
	Late-Filed Exhibit	Report	
	Print Form	Reset Form	



August 21, 2009

Charles Terreni Chief Clerk and Administrator South Carolina Public Service Commission P.O. Box 11649 Columbia, SC 29211

> Image Access, Inc. d/b/a NewPhone Application for Designation as an Eligible Re:

Telecommunications Carrier.

Dear Mr. Terreni:

Please find enclosed an original and eleven (11) copies of the Application of Image Access, Inc. d/b/a NewPhone for Designation as an Eligible Telecommunications Carrier by the South Carolina Public Service Commission for the purpose of receiving federal low-income universal service support.

Please docket and process this Application for consideration and approval by the Commission according to its rules of practice and procedure, and please let me know if the Commission requests additional information.

Sincerely,

Jim R. Dry, President

Image Access, Inc. d/b/a NewPhone

JD

Enclosures

cc: C. Dukes Scott

#### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF SOUTH CAROLINA

APPLICATION OF	)	
IMAGE ACCESS, INC. d/b/a	Ś	
NEWPHONE FOR DESIGNATION	Ś	
AS AN ELIGIBLE TELECOMMUNICATIONS	Ś	DOCKET NO.:
CARRIER	Ś	2 o chia i mon

#### APPLICATION FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

Image Access, Inc. d/b/a Newphone ("NewPhone" or the "Applicant"), pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act")1 and Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission ("FCC"),<sup>2</sup> and the rules, regulations and orders of the South Carolina Public Service Commission (the "Commission"), hereby applies to the Commission for designation as an Eligible Telecommunications Carrier ("ETC") throughout the BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina ("AT&T") exchanges and service areas of South Carolina (the "Designated Service Area") for the purpose of receiving low-income federal universal service support. A list of each wire center for which the Applicant is requesting ETC status in the State of South Carolina is attached hereto as Exhibit 1.

The Applicant is seeking only low income support, and is not requesting support from the federal high cost fund. As demonstrated below, NewPhone satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214(e)(2). <sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

Service Area. Furthermore, designation of NewPhone as an ETC in the Designated Service Area will serve the public interest. Accordingly, NewPhone respectfully requests that the Commission grant this Application.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

Jim R. Dry President Image Access, Inc. d/b/a NewPhone 5555 Hilton Avenue, Suite 415 Baton Rouge, LA 70808 Telephone: (225) 214-4414 Fax: (225) 214-4111

#### I. Background

1. NewPhone is a Louisiana corporation<sup>3</sup> and is authorized to conduct business as a domestic corporation in the State of South Carolina. A copy of the Applicant's Articles of Incorporation and authority to transact business in the State of South Carolina are on file with the Commission and incorporated herein by reference.<sup>4</sup> The Applicant was granted a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange Telecommunications Services within the State of South Carolina pursuant to Order No. 1999-762 (October 26, 1999).<sup>5</sup>

2. The principal office of the Applicant is located at 3525 Causeway Blvd., Suite 501, Metairie, Louisiana 70002. The Applicant provides pre-paid local exchange service in the Designated Service Area using a combination of resale and unbundled

<sup>4</sup> See, SC PSC Docket No. 1999-269-C.

<sup>&</sup>lt;sup>3</sup> NewPhone was incorporated in the State of Louisiana on April 7, 1997.

network elements, or unbundled network equivalents ("UNEs"), obtained through interconnection and commercial agreements, consisting of the local loop, ports and transport, provided by AT&T, that allows end-to-end switching and delivery of calls.

- 3. As set forth in Section 214(e)(2) of the Act, the Commission "shall upon its own motion or upon request designate a common carrier that meets the requirements of [Section 214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State Commission." Upon designation as an ETC, the carrier shall be eligible to receive federal universal service support in accordance with Section 254 of the Act.<sup>7</sup>
- 4. The requirements for designation as an ETC set forth in Section 214 (e) (1) and 47 C.F.R. 54.201(d)(1) and (2), are that the carrier must be a common carrier and:
  - (A) offer the services that are supported by Federal universal support mechanisms under section 254 (c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
  - (B) advertise the availability of such services and the charges therefore using the media of general distribution.<sup>8</sup>

# II. NewPhone Satisfies the Requirements for Designation as an ETC to Serve the Designated Service Area.

5. NewPhone is a common carrier as that term is defined in the Act. <sup>9</sup> The

<sup>&</sup>lt;sup>5</sup> NewPhone also holds a Certificate of Public Convenience and Necessity to Operate as a Reseller of Interexchange Telecommunications Services within South Carolina pursuant to Order No. 2004-564 (November 12, 2004).

<sup>&</sup>lt;sup>6</sup> 47 U.S.C. § 214(e)(2); see 47 C.F.R. §54.201(d) (FCC Rules citing the Act's requirements).

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. §214 (e)(1).

<sup>8</sup> Id.

Applicant provides competitive local exchange telecommunications services in the Designated Service Area pursuant to Commission Order No.1999-762 (October 26, 1999), referenced above.

- 6. NewPhone offers all of the supported services enumerated under Section 254 (c) via the resale of AT&T's services in combination with using facilities obtained as UNE's, or the equivalents thereof, through interconnection and commercial agreements with AT&T. According to FCC Rules, facilities obtained as UNEs satisfy the requirement that an ETC provide the supported services using its own facilities or a combination of its own facilities and resale of another carrier's services. Accordingly, the Applicant satisfies the requirements set forth in Section 214(e)(1)(A) and also 26 S.C. Code Regs. 103-690 C (6).
- 7. The services that are supported by the federal universal support mechanisms under section 254(c) are enumerated in the rules of the Federal Communications Commission ("FCC") at 47 C.F.R. §54.101(a) (1)-(9). These services are:
  - (A) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a

<sup>9</sup> See 47 U.S.C. § 153(10) ("the term 'common carrier' or 'carrier' means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy...).

<sup>&</sup>lt;sup>10</sup> Section 54.201(f) of the FCC's Rules states, "[f]or the purposes of this section, the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled elements pursuant to Part 51 of this chapter, provided that such facilities meet the definition of the term 'facilities' under this subpart." 47 C.F.R. § 54.201(f). The term "facilities" under Section 54.201 is defined as "any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part." 47 C.F.R. 54.201(e). NewPhone's use of UNEs, or equivalents thereof, meets this definition of "facilities."

signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;

- NewPhone meets this requirement by providing voice-grade access to the public switched telephone network (PSTN). Through its interconnection and commercial agreements with AT&T, all customers of the Applicant are able to make and receive calls on the PSTN within the specified bandwidth.
- (B) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users;
- Although the FCC requires an ETC applicant to demonstrate that it offers a local usage plan comparable to the one offered by AT&T in the service areas for which the applicant seeks designation, the FCC has not adopted a specific local usage threshold. However, NewPhone offers unlimited local service in the AT&T South Carolina service areas permitting the customer to make an unlimited amount of local calls within his/her local calling area. Thus, NewPhone offers a local usage plan comparable to the one offered by the incumbent LEC in the service area for which it seeks ETC designation in accord with 26 S.C. Code Regs. 103-690 C (4).
- (C) Dual tone multi-frequency signaling or its functional equivalent. "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;
- NewPhone provides DTMF signaling to its customers, which is the equivalent of that offered by the incumbent LEC to its customers, via its interconnection and commercial agreements with AT&T.
- (D) Single-party service or its functional equivalent. "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a

<sup>&</sup>lt;sup>11</sup> In the Matter of Federal-State Joint Board on Universal Service, Report and Order, CC Docket No. 96-45 (March 17, 2005) at paras. 32 – 34 ("FCC March 17, 2005 Order").

- dedicated message path for the length of a user's particular transmission;
- NewPhone meets the requirement of single-party service by providing its customers with exclusive use of a wireline subscriber loop for each call placed, through its interconnection and commercial agreements with AT&T.
- (E) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems:
- NewPhone currently provides all of its customers with access to emergency services by dialing 911 through its interconnection and commercial agreements with AT&T in satisfaction of this requirement.
- (F) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;
- NewPhone meets this requirement by providing all of its customers with access to operator services provided by AT&T through its interconnection and commercial agreements with AT&T.
- (G) Access to interexchange service. "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;

- NewPhone meets this requirement by providing all of its customers with the ability to connect with an interexchange carrier.
- (H) Access to directory assistance. "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and
- NewPhone meets this requirement by providing its customers with access to directory assistance.
- (I) Toll limitation for qualifying low-income consumers. Toll limitation service is defined as either "toll control" or "toll blocking" services pursuant to 47 C.F.R. 54-400(d).
- NewPhone provides toll blocking services to requesting Lifeline eligible customers in South Carolina free-of-charge via its interconnection and commercial agreements with AT&T.
- 8. NewPhone currently advertises the availability of the above-listed services and the charges for those services in the Designated Service Area using media of general distribution, as required by FCC Rules.<sup>12</sup>
- 9. Upon certification as an ETC, NewPhone will participate in, and offer, LifeLine and Link-Up programs to qualifying low-income customers and publicize the availability of LifeLine and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services, as required by FCC Rules. The Applicant's advertising plan is designed to provide notification of the existence of low-income programs to the widest possible audience in the Designated Service Area in South Carolina. In accord with 26 S.C. Code Regs. 103-690 C, NewPhone submits as Exhibit 2 a two-year plan that describes the carrier's plans for advertising and outreach programs

<sup>&</sup>lt;sup>12</sup> See 47 C.F.R. §§ 54.201(d)(2).

<sup>&</sup>lt;sup>13</sup> See 47 C.F.R. §§ 54.401-54.417; 54.405(b)&54.411(d).

for identifying, qualifying, and enrolling eligible participants in the Lifeline and Link Up programs.

#### III. Area for Which ETC Certification is Requested.

- 10. NewPhone has served and will continue to serve the exchanges where it leases UNEs or resells the services of the non-rural incumbent local exchange carrier (AT&T) in the Designated Service Area in the State of South Carolina. NewPhone does not seek certification as an ETC in any areas served by any Rural Telephone Company in the State of South Carolina. The Applicant does not provide local exchange service in any area served by any Rural Telephone Company in the State of South Carolina.
- 11. NewPhone will provide Lifeline and Link-Up services in the Designated Service Area where AT&T is the incumbent local exchange carrier.

#### IV. Granting NewPhone's Application Will Serve the Public Interest.

- 12. Congress requires that the Commission grant competitive ETC applications in non-rural area. No specific public interest test is mentioned, as is the case for areas served by Rural Telephone Companies. Thus, the Act provides that the Commission "shall" designate NewPhone as an ETC upon finding that the Applicant meets the nine-point list of services and that it agrees to advertise the supported services throughout the Designated Service Area. Notwithstanding the foregoing, the designation of NewPhone as an ETC will serve the public interest.
- 13. A central purpose of the Telecommunications Act of 1996 was to "promote competition and reduce regulation . . . [thereby securing] lower prices and

<sup>&</sup>lt;sup>14</sup> See 47 U.S.C. 214(e)(2).

higher quality services . . . and encourage the rapid deployment of new telecommunications technologies." <sup>16</sup> Designation of NewPhone as an ETC would further these goals. Granting ETC status to NewPhone would allow the Applicant to obtain federal low-income universal service support, which it will use to offer innovative telecommunications services at competitive prices to consumers in the Designated Service Area.

- 14. Designation of NewPhone as an ETC will increase the low-income consumer's choice of carriers. For those consumers who have been disconnected from AT&T or other competitive carriers for non-payment of bills, NewPhone provides an alternative service to these consumers.
- disconnected by AT&T or a competitive carrier because of unpaid bills. These consumers may be without telephone service because of an inability to bring their accounts current and comply with other requirements for being reconnected to the telephone network, such as the payment of a deposit and/or reconnection fee. NewPhone removes significant barriers to telephone subscribership by providing service to all Lifeline and Link-Up eligible consumers within its Designated Service Area of South Carolina without credit checks or the posting of a deposit, and despite the customer having been disconnected by another carrier.
- 16. NewPhone provides toll restriction services throughout its Designated Service Area in South Carolina, free of charge, as required by the FCC rules. As an

<sup>15</sup> See Id.

alternative to subscription to toll interexchange services, NewPhone provides prepaid long distance. As a result, the majority of NewPhone's customers choose toll restriction services and/or prepaid long distance, which leads to affordable telephone service for the low-income consumer.

- 17. The FCC has determined that Lifeline providers utilize federal universal service support for the purpose it was intended when the carrier reduces the price of access to telecommunications services for eligible customers by the amount of that support.<sup>17</sup> NewPhone will pass through all applicable state and federal service discounts and mandated service support to its Lifeline and Link-Up customers, thus reducing the price of access to telecommunications services for the Lifeline and Link-Up eligible customers in South Carolina.
- 18. NewPhone will announce and advertise telecommunications services as an ETC where it provides service in its Designated Service Area in South Carolina, and will publicize the availability of LifeLine and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income South Carolina residents will be made aware of the opportunities afforded to them under the LifeLine and Link-Up programs and will be able to take advantage of those opportunities by subscribing to NewPhone's service. NewPhone's Advertising and Outreach Plan that describes its plans for advertising and outreach programs for

<sup>16</sup> The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56,56 (1996).

<sup>&</sup>lt;sup>17</sup> In the Matter of Federal-State Joint Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. Sect. 214(e)(1)(A) and 47 C.F.R. 54.201(i), para. 26 (CC Docket No. 96-45, rel. Sept. 8, 2005).

identifying, qualifying and enrolling eligible participants in the Lifeline and Link Up programs is attached as *Exhibit 2 hereto*.

- 19. NewPhone will provide universal service as an ETC in all of its Designated Service Area. Under FCC guidelines, where applicable, an ETC Applicant must commit to provide service throughout its proposed designated service area to all customers making reasonable requests for service. (FCC March 17, 2005 Order, at para. 22; 47 C.F.R. § 54.202(a)(1)(i)). NewPhone commits to provide service throughout its proposed ETC-Designated Service Area to all customers making reasonable requests for service. See, 26 S.C. Code Regs. 103-690 C (1)
- 20. NewPhone offers a local usage plan which includes unlimited local calling as set forth in its tariff, which is comparable to the local usage plan offered by AT&T in the Designated Service Area. See, 26 S.C. Code Regs. 103-690 C (4).
- 21. NewPhone acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access with the Designated Service Area. See, 26 S.C. Code Regs. 103-690 C (5).
- 22. Under FCC guidelines, where applicable, an ETC Applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout its proposed Designated Service Area. The only circumstance warranting deviation from its requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" federal universal service support, but only "low income" federal universal service support. Because NewPhone seeks ETC designation solely for purposes

of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers in South Carolina, submission of a Five-Year Network Improvement Plan is not required at this time. However, because Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible consumers, and is distributed on a per-customer basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers. Thus, designating NewPhone as ETC herein will promote Lifeline and the availability of telephone service to low income users, advancing the public interest.

- 23. Under FCC guidelines, where applicable, an ETC Applicant must demonstrate its ability to remain functional in emergency situations: (47 C.F.R. § 54.202(a)(2); FCC March 17, 2005 Order, at para. 25, "FCC ETC Order"). Because NewPhone is providing service to its customers through the resale of AT&T's service and/or through the use of facilities leased from AT&T in South Carolina, this arrangement allows NewPhone to provide to its customers the same ability to remain functional in emergency situations as currently provided by AT&T to its own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. See, 26 S.C. Code Regs. 103-690 C (2).
- 24. NewPhone complies and will continue to comply with all applicable consumer protection and service quality standards in South Carolina. See, 26 S.C. Code Regs. 103-690 C (3).

- 25. Under FCC guidelines, an ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. 47 CFR 54.202(a)(3). As part of its certification requirements for providing local exchange services, Applicant will abide and satisfy all such service quality and consumer protection rules under 103-690 C (a)(1)(C)(3), including filing quality of service reports with the Commission. Applicant agrees to include in its quarterly Service Quality Report the number and justifications of applications held for more than 30 days and the number and justifications of applications there were denied. In addition, Applicant commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC ETC Order. Applicant in generally commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.
- 26. Applicant has requested ETC designation in wire centers located throughout the service area of AT&T, a non-rural carrier. (See Exhibit 1). Applicant has further limited its requested USF support to the federal USF low income support program.
- 27. Should Applicant seek designation as an ETC for high cost support, Applicant will file an additional and separate application with the Commission that addresses all applicable state and federal laws, rules and regulations, including but not limited to, an appropriate build-out plan that includes the use of its own facilities in addition to those obtained through commercial agreements to provide services to unserved areas.

- 28. NewPhone will only seek direct low income support from the Federal Universal Service Fund for those lines provided through the use of its own facilities or through a combination of its own facilities and the leased facilities of another carrier.
- 29. Applicant agrees to utilize the same qualifying criteria for Lifeline and Link Up as is offered in the AT&T territory (eligibility for TANF, Food Stamps, and Medicaid).
- 30. Applicant certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline and Link Up eligible customers, consistent with 47 CFR 54.403.
- 31. Applicant agrees to provide Lifeline customers an additional \$3.50 credit in order that the federal matching monies can be maximized. This will yield a Lifeline credit of \$13.50 per month which is consistent with the credit offered throughout the AT&T service area.
- 32. The Applicant's Lifeline and Link Up proposed tariff revisions are attached hereto as Exhibit 3.
- 33. By this Application, Applicant asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon Applicant's provision of service contemplated by this Application.
- 34. Applicant shall comply with all applicable state and federal laws, rules and regulations regarding ETC designation, advertising, verification and reporting requirements.

35. Applicant's certification to comply with 26 S.C. Code Regs. 103-690 C

(a)(1) is included in the Affidavit of Mr. Jim R. Dry, President of NewPhone.

36. Upon Commission request, Applicant is prepared to answer questions or

present additional testimony or other evidence concerning its services within the State.

V. Relief Requested

For the foregoing reasons, Image Access, Inc. d/b/a NewPhone respectfully

requests that the Commission grant its Application for designation as an Eligible

Telecommunications Carrier for the purposes of receiving low-income, Lifeline and

Link-Up, federal universal service support in the Designated Service Area in South

Carolina.

Respectfully submitted,

JIM R. DRY-PRESIDENT

IMAGE ACCESS, INC. D/B/A NEWPHONE

5555 HILTON AVENUE, SUITE 415

BATON ROUGE, SOUTH CAROLINA 70808

Telephone: (225) 214-4414

Fax: (225) 214-4111

#### **VERIFICATION**

I, Jim R. Dry, President of Image Access, Inc. d/b/a NewPhone, do verify, on behalf of applicant, that Image Access, Inc. d/b/a NewPhone will comply with and abide by the Commission guidelines and requirements presently in effect or otherwise adopted in the future.

I am an Owner and President of Image Access, Inc. d/b/a NewPhone, and am authorized to act on its behalf. In such capacity, I have elected to submit the foregoing Application for Designation As An Eligible Telecommunications Carrier to the Public Service Commission of South Carolina without the benefit of legal counsel admitted to practice in South Carolina. In electing to file the Application for Designation As An Eligible Telecommunications Carrier without South Carolina legal counsel, I acknowledge and agree to assume the risk, if any, of resulting adverse legal consequences.

DDECIDENT

#### AFFIDAVIT OF JIM R. DRY IN SUPPORT OF

#### PETITION OF

# IMAGE ACCESS, INC. D/B/A NEWPHONE AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN SOUTH CAROLINA

Jim R. Dry, being first duly sworn upon oath, deposes and states as follows:

- 1. I am President of Image Access, Inc. d/b/a NewPhone ("Newphone"). My office is currently located at 5555 Hilton Avenue, Suite 415, Baton Rouge, LA 70808.
- 2. I have read the foregoing Application and all information therein is true and correct to the best of my knowledge, information and belief.
- 3. NewPhone currently holds a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange Telecommunications Services within the State of South Carolina pursuant to Order No. 1999-762 (October 26, 1999) in AT&T service areas of South Carolina. NewPhone is currently providing telecommunications services in South Carolina to residential consumers throughout the AT&T local exchange service areas of the State.
- 4. NewPhone respectfully requests federal ETC designation in the AT&T service areas throughout South Carolina as set forth in the Application. NewPhone requests ETC designation only for the purpose of obtaining reimbursement from the low-income (Lifeline and Linkup) portion of the federal universal service mechanisms from the Universal Service Administrative Company. NewPhone is not requesting ETC status for the purpose of receiving support from the high cost portion of the federal universal service support mechanisms.

- 5. NewPhone will provide Lifeline and Link Up service in a timely manner throughout its Designated Service Area upon reasonable request of an eligible consumer.
- 6. NewPhone acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the Designated Service Area.
- 7. NewPhone offers the services that are supported by the federal universal service support mechanisms by using its own facilities or a combination of its own facilities and resale of another carrier's services.
- 8. NewPhone will advertise in media of general distribution the availability of the services that are supported by the federal universal service support mechanisms, including Lifeline and Link Up services and the applicable charges.
- 9. NewPhone will provide service within a reasonable period of time where an eligible customer is within its licensed service area but outside its existing network coverage if service can be provided at reasonable cost.
- 10. As set forth in the Application, NewPhone fulfills the FCC's requirements for ETC designation because:
  - a. NewPhone is a common carrier;
- b. NewPhone provides the services supported by the federal universal service support mechanisms;
- c. NewPhone has made a reasonable demonstration of its capability and commitment to provide the supported services, as enumerated and described in the Application, to low-income consumers in South Carolina;

- d. NewPhone provides the support services in South Carolina to Lifeline and Link-Up eligible consumers via a combination of its own facilities and resale of AT&T's retail services;
- e. NewPhone advertises the availability of Lifeline and Link-Up services in South Carolina via television advertisement, newspaper advertisement and customer brochures;
- f. NewPhone will comply with all applicable requirements of the FCC and the Commission, as addressed in the Application, and as required by the Commission;
- g. NewPhone will pass through to its Lifeline and Link-Up eligible customers all discounts and waivers required by the FCC's rules; and
- h. NewPhone's designation as an ETC in the AT&T service areas in South Carolina is in the public interest because such designation will: 1) lead to increased consumer choice of carriers, and provide an alternative to higher priced pre-paid local exchange carriers; 2) lead to increased subscribership due to advertising, which increase consumer awareness, and the provision of service without the imposition of deposits or credit checks; 3) lead to reduced toll charges for customers due to NewPhone's policy of educating consumers about toll limitation services and prepaid long distance telephone service; 4) make premium services available to low-income consumers; and 5) contribute to low-income consumers' continued presence on the public telephone network through the Applicant's provision of affordable service.

11. NewPhone's designation will have no measurable impact on the federal universal service fund. The Applicant requests reimbursement for low-income support only and will receive reimbursements previously received by other carriers, except in the case where a customer subscribes to telephone service for the first time.

12. No party to this Application is subject of a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Sec. 862, and Sections 1.2001-1.2003 of the FCC's rules, 47 C.F.R. Sects. 1.2001-1.2003.

13. This concludes my Affidavit.

Respectfully submitted this 21st day of August, 2009.

Image Access, Inc. d/b/a NewPhone

Jim R President

Subscribed and sworn to before me,

Notary Public in

and for the State of Louisiana, on this 21st day of August, 2009.

Paul F. Guarisco

Bar Roll No. 22070 Notary Public, State of Louisiana

My Commission is for Life

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SPBGSCBS57E TRRSSCMARS1 MRTTSCMARS1 **BLBGSCMARS1** LBRTSCMA84E PDMTSCESRS1 CLSNSCMA65E **ESLYSCMA85E** FNINSCES86F SXMLSCMARS1 PCKNSCES87E **GFNYSCMA48F GRVRNCMARSO** CLTNSCMA83E SALMSCMARS1 WMTNSCPW84F SPBGSCMA57E LYMNSCES43E ARSNSCMA22F TKNASCSTRS1 **GNVLSCDT23F BLRGSCMARS1** SENCSCMA88E **GNVLSCWR28F GRERSCMA87F** 

#### LIFELINE AND LINK UP

#### ADVERTISING AND OUTREACH PLAN

**OF** 

IMAGE ACCESS, INC. d/b/a NEWPHONE

FOR THE

STATE OF SOUTH CAROLINA



## IMAGE ACCESS, INC.

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#### **SUMMARY**

Image Access, Inc. d/b/a NewPhone ("NewPhone" or the "Company") has developed this Advertising Plan (the "Plan") in compliance with Chapter 103-690 of the South Carolina Code of Regulations (Unannotated), which requires carriers who are "seeking ETC designation for the purposes of participation in the Lifeline and Link Up Programs" to submit a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible participants in the Lifeline and Link Up programs." In accordance with state and federal requirements, NewPhone will "publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service." <sup>15</sup>

Implementation of the Company's Advertising Plan will commence upon designation as an Eligible Telecommunications Carrier ("ETC") and will continue for a term of no less than twenty-four (24) months from the date that the approval order of the Commission becomes effective.

#### ADVERTISING AND OUTREACH PLAN

The Advertising and Outreach Plan of the Company is structured to promote maximum visibility of the Lifeline and Link Up programs throughout the State of South Carolina. NewPhone will use advertising mediums that have a proven track record of effectively identifying, informing, and educating current and potential subscribers of the Lifeline and Link Up programs thereby increasing consumer awareness and the overall penetration of Lifeline and Link Up subscribership in South Carolina. The Company will begin implementation of its Advertising and Outreach Plan throughout the AT&T exchanges in the State of South Carolina upon designation as an ETC by the Commission, which will continue for a period of no less than 24 months.

#### I. Advertising and Outreach to Existing Customer Base

Upon designation as an Eligible Telecommunications Carrier ("ETC") in the State of South Carolina, NewPhone will implement its Advertising Plan by contacting the Company's existing customer base.

The goal of this phase of the Advertising Plan will be two-fold. The first goal is to inform existing customers not only of the availability of Lifeline and Link Up, but also of the savings that eligible consumers can anticipate.

The second goal is to educate customers as to the eligibility requirements for participation in the Lifeline and Link Up programs.

To accomplish these goals, NewPhone will utilize USACs Consumer Outreach Lifeline and Link Up letter, a copy of which is included with this Plan and is labeled as <u>Attachment 1</u> hereto. A copy of this notification will be provided to customers as a billing insert. Approximately 30 days after the billing insert has been sent, NewPhone will send a stand-alone notice of the same, via U.S. Mail, to each active non-responding customer.

<sup>&</sup>lt;sup>1</sup> CFR 47§ 54.405(b)

Approximately 60 days after the billing insert has been sent, the Company's customer service representatives will begin contacting customers who have not responded to either mailing in an effort to make known the existence of and the eligibility requirements for this vital low-income program.

NewPhone anticipates that the expected implementation period for this phase of the Company's Advertising Plan to will take approximately three (3) months.

#### II. Advertising and Outreach to New Customers

#### A. Governmental Agencies

NewPhone will coordinate its outreach efforts with and provide advertising materials to governmental agencies and other organizations that administer relevant governmental assistance programs and cater to those likely to qualify for support. Currently, the Company's advertising plans call for it to coordinate advertising and outreach efforts with organizations such as:

Social Service Agencies Community Centers Local Council on Aging Centers United Way AARP

Implementation of this phase will begin upon completion of the Company's Outreach to its existing customer base and will be ongoing in nature. NewPhone expects that it will take approximately twelve (12) months to make outreach materials fully available throughout the designated service area.

#### B. Print Media

NewPhone will begin print advertising using a media of general distribution. Specifically, the Company will begin advertising the availability of Lifeline and Link Up in the designated area through free publications such as the Dollar Saver and Thrifty Nickel. These publications, and others like it, are available without cost or subscription requirements and are widely distributed throughout the State of South Carolina. As such, NewPhone believes that this form of advertisement is effective and is consistent with the requirements of §54.405 and 54.411, which require ETCs to publicize the availability of Lifeline and Link Up service in a manner reasonable designed to reach those likely to qualify for the support.

Implementation will be upon completion of the Company's Governmental Outreach campaign and will take approximately six (6) months to fully implement in all of the designated service area. Once in place, NewPhone will continue its print media advertisement on an ongoing basis.

#### C. Broadcast Media

NewPhone will implement a brisk and consistent broadcast advertising campaign throughout South Carolina. Implementation of this phase of the Company's advertising and outreach campaign will commence with an advertising on broadcast TV stations in lieu of cable TV due to the lack of low-income viewership.

Current broadcast plans call for the Company to begin advertising on broadcast TV stations throughout the State of South Carolina. In addition, the Company will specifically target stations with affiliate TV and Radio stations.

Implementation will begin upon completion of the Company's Print Media Campaign. NewPhone anticipates that it will take approximately six (6) months to fully implement its Broadcast Outreach in all of the designated service area. Like the Company's print media campaign, NewPhone anticipates that its broadcast advertising campaign will continue unabated.

#### III. Oualification and Enrollment

Lifeline is a program that provides eligible consumers with a monthly recurring discount, off of the rate for basic local exchange service, of up to \$13.50.

Link Up provides eligible consumers with a 50%, up to \$300.00, off of the cost associated with connecting local exchange service.

Consumers are eligible for Lifeline and Link Up support if they participate in one of the following State approved needs-based programs:

- Food Stamps
- Medicaid
- Family Independence (TANF)

NewPhone has developed a compliance manual, which provides detailed information of the specific requirements for eligibility in Lifeline and Link Up on a state-by-state basis.

All advertising and outreach materials will direct consumers to call NewPhone at toll free 800-555-5555. The Company's customer service representatives will assist customers to determine if they are eligible for Lifeline and Link Up benefits. When a customer is deemed eligible, representatives will send, by fax, email, or U.S. Mail, a copy of the Company's self-certification form. This form allows customers to self-certify, under penalty of perjury, that they meet the need-based eligibility requirements of the State.

### IV. Verification of Continued Eligibility

The FCC has recommended that all states, including federal default states, be required to establish procedures to verify a consumers' continued eligibility in the Lifeline program under Program Based or Income Based Eligibility criteria, which could include, but would not necessarily be limited to, random beneficiary audits, periodic submissions of documents, or

annual self-certification. However, to date, no clear-cut method of verification has been established.

As such, NewPhone has elected to follow the FCC's recommendation that ETCs be required to verify annually the continued eligibility of a statistically valid sample of their Lifeline subscribers. Under the program, ETCs are free to verify directly with a state that particular subscribers continue to be eligible by virtue of participation in a qualifying program or income level. Alternatively, to the extent ETCs cannot obtain the necessary information from the state, they may survey the subscriber directly and provide the results of the sample to USAC.

Subscribers who are subject to this form of verification and who qualify under Program Based Eligibility criteria must prove their continued eligibility by presenting in person or sending a copy of their Medicaid card or other Lifeline-qualifying public assistance card and self-certifying, under penalty or perjury, that they continue to participate in the Lifeline qualifying public assistance program

Subscribers who are subject to this form of verification and who qualify under the Income Based Eligibility criteria must prove their continued eligibility by presenting current documentation consistent with the federal default certification process. These subscribers must also self-certify, under penalty of perjury, the number of individuals in their household and that the documentation presented accurately represents their annual household income.

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#### E. <u>Lifeline Program</u>

#### 1. General

- (i) The Lifeline program is designated to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service rates for qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket No. 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket No. 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the South Carolina Public Service Commission and are set forth in this tariff.
- (ii) Lifeline is supported by the federal universal service support mechanism.
- (iii) Federal baseline support of eight dollars and twenty-five cents (\$8.25) is available for each Lifeline service and is passed through to the subscriber. An additional three dollars and fifty cents (\$3.50) credit is provided by the Company. Supplemental federal support of one dollar and seventy-five cents (\$1.75), matching one half of the Company contribution, will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in South Carolina is thirteen dollars and fifty cents (\$13.50). The amount of credit will not exceed the charge for local service, which includes the access line, the Subscriber Line Charge and local usage.

#### 2. Regulations

- (i) General
- (a) Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.



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- (b) One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in Section 2(ii)(a) following.
- (c) A Lifeline customer may subscribe to any local service offering available to other residential customers. Because the Lifeline credit is applicable to the primary residential connection only, it may not be applied to multiple lines in a package for local service.
- (d) Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
- (e) No deposit will be required of a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
- (f) Neither the Federal Universal Service Charge nor the South Carolina Intrastate Universal Service Surcharge will be billed to Lifeline customers.
- (g) A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local calls in accordance with Section B. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.
- (h) At no time shall a customer's Lifeline rate go below zero.

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#### (ii) Eligibility

- (a) To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs:
  - 1. Temporary Assistance to Needy Families (TAW), previously known as AFDC.
  - 2. Food Stamps
  - 3. Medicaid
- (b) All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

#### (iii) Certification

- (a) Proof of eligibility in any of the qualifying low income assistance programs should be verified by the Company within 30 days of application for service. The Lifeline credit will not be established until proof of eligibility has been established by the Company.
- (b) The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.

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(c) When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation within 60 calendar days, the Lifeline credit will be discontinued.

#### (iv) General

- (a) Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
- (b) Service Charges in Section D are applicable for installing or changing Lifeline service.
- (c) Link-Up connection assistance in Section F may be available for installing or relocating Lifeline service.
- (d) The Service Change Charge in Section D is not applicable when existing service is converted intact to Lifeline.
- (v) The total Lifeline credit consists of one federal credit plus one (1) Company credit
  - (a) Federal credit:

#### Monthly Credit

- 1. Temporary Assistance to Needy Families \$10.00
- 2. Food Stamps \$10.00
- 3. Medicaid \$10.00
- (b) Company credit:
  - 1. All programs, one per Lifeline service \$3.50

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#### F <u>Link-Up South Carolina</u>

#### 1. General

- (i) Link-Up is a program designed to increase the availability of telecommunications services to low income subscribers by providing a credit to the non-recurring installation and service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the South Carolina Public Service Commission and are set forth in this tariff.
- (ii) Link-Up is supported by the federal universal service support mechanism.
- (iii) A federal credit amount of fifty percent (50%) of the non-recurring charges for connection of service, up to a maximum of thirty dollars (\$30.00), is available to be passed through to the subscriber.

#### 2. Regulations

#### (i) General

- (a) Customers eligible under Link-Up are also eligible for monthly recurring assistance under the Lifeline Program.
- (b) Link-Up connection assistance is available per household and is applicable to the primary residential connection only.
- (c) The Link-Up credit is available each time the customer installs or relocates the primary residential service.
- (d) To receive the credit, proof of eligibility must be verified within 30 days after installation of service.

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(e) The total tariffed charges for connecting service, including service and other installation charges, are considered in the credit calculation.

#### (ii) Eligibility

- (a) To be eligible for a Link-Up credit, the named subscriber must be a current recipient of any of the following low income assistance programs:
  - 1. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - 2. Food Stamps
  - 3. Medicaid
- (b) All applicants for service are subject to verification with the state agency responsible for administration of the qualifying program.

#### (iii) Certification

- (a) Proof of eligibility in any of the qualifying low income assistance programs should be verified by the Company within 30 days of the application for service. The Link-Up credit will not be established until proof of eligibility has been established by the Company.
- (b) The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Link-Up plan.

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## 3. Rates and Charges

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The federal credit available for Link-Up connection is thirty dollars (\$30.00) maximum or fifty per cent (50%) of the installation and service charges from the Tariff, whichever is less.